

REMARKS

Applicant respectfully requests reconsideration of the present application in view of the foregoing amendments and in view of the reasons that follow.

This amendment adds, changes and/or deletes claims in this application. A detailed listing of all claims that are, or were, in the application, irrespective of whether the claim(s) remain under examination in the application, is presented, with an appropriate defined status identifier.

Interview Summary: An interview was had with Examiner Felten and Supervisor Kramer on May 24, 2007. The examiners are thanked for this opportunity to discuss the case. During the interview the 1997 advertisement and the system that implemented the financial product identified in the advertisement was discussed as well as distinguishing claim language. Serial numbers 10/071,053 fld 2-8-02 and 10/305,439 fld 11-26-02 were discussed briefly. Also, Examiner Felten indicated that the finality of the rejection would be removed. This would occur by issuing a new office action.

The examiner should be aware that the following co-pending patent applications disclosed in an IDS are related and have similar claims and some of these applications have received office actions:

10/825,440 fld 4-14-04 (Reexamination)

09/677535 fld 10-2-00 (Office Action with rejection) (Present application)

10/071,053 fld 2-8-02 (Office Action with rejection)

10/305,439 fld 11-26-02 (Office Action with rejection)

The examiner is directed to review these other co-pending applications as he deems appropriate.

The claims were rejected under 35 USC 102(b) for a public use or on sale activity based on an advertisement first appearing in 1997 and provided by means of an IDS submitted by applicants on March 2, 2007. That IDS contained copies of the advertisement

and also a Declaration by Mr. Bruce Bent II, the Vice Chairman and President of the assignee, Reserve Management Corporation ("The Reserve").

For purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings. In his Declaration, Mr. Bent provides a detailed description of the financial operation used to provide the product in the advertisement. Specifically, Mr. Bent declared that

These accounts were set up with Chase Manhattan Bank by means of a September 1997 Agreement. The insured money market account with free, unlimited, no minimum checking referenced in this advertisement was intended to be implemented and was ultimately implemented to a first customer (which was a retail customer of The Reserve) on October 23, 1997, by means of a money market deposit account (MMDA) and a linked demand deposit account (DDA) in a single bank, the Chase Manhattan Bank, wherein requests for withdrawal were handled by messenger to allow unlimited withdrawals from the MMDA, and wherein each retail customer deposited directly to or withdrew funds directly from another DDA in the Chase Manhattan Bank.

The DDA in the Chase Manhattan Bank, referred to as the subscription DDA, was registered to The Reserve (the assignee) and the retail customers interfaced with this subscription DDA account by means of Reserve checks drawn to this DDA account. The Reserve deposited the funds from this subscription DDA registered at Chase Manhattan Bank in the name of The Reserve to the money market deposit account (MMDA) at the Chase Manhattan Bank registered as ***"RMC as agent for the exclusive benefit of its clients acting for itself and others"*** to obtain the pass through insurance for the underlying Reserve customers, and interest on the funds. Withdrawals from the MMDA were handled by

messenger to a different demand deposit account (DDA) at the Chase Manhattan Bank also registered as *“RMC as agent for the exclusive benefit of its clients acting for itself and others”* to obtain the pass through insurance for the underlying Reserve customers, and then transferred from this different DDA to the subscription DDA registered in the name of The Reserve at the Chase Manhattan Bank.

The amended claims include the limitations **“determining whether each client's funds held in a banking institution are more than a specified amount; and distributing any amounts over said specified amount into at least one other FDIC-insured and interest-bearing deposit account at at least one other banking institution.”** See claim 2 for example. This element in combination with the other elements in the claim patentably distinguish over this early financial activity. The use of multiple FDIC-insured interest-bearing deposit accounts at other banks allows aggregations of demand account funds from the multiple retail customers to be distributed across a series of different banks in a controlled manner in order to avoid any one customer from accumulating more than \$100,000 (the current FDIC insurance limit for an individual) in a given FDIC-insured and interest-bearing aggregate deposit account at a particular deposit account bank, thereby ensuring FDIC insurance for customer amounts over \$100,000. Additionally, the use of multiple FDIC-insured deposit accounts at multiple different banks provides the ability to avoid the 6 withdrawal limit for a month on a given FDIC-insured interest-bearing deposit account in a given bank that is imposed by banking regulations. Additionally, from a bank viewpoint, this system and method provided a mechanized way for regional banks to gain access to funds in other regions via becoming a designation bank with an FDIC-insured deposit account in the system. The use of multiple banks, each with an FDIC-insured deposit account, with a system for managing deposits to and withdrawals from these multiple accounts was not disclosed or suggested by the cited Advertisement or the actual implementation by The Reserve.

USE AND OFFER FOR SALE OF CURRENT CLAIMS: For information purposes, programming for the use of the multi bank process that distributed **amounts over said specified amount into at least one other FDIC-insured and interest-bearing deposit account at at least one other banking institution** was completed by The Reserve

in April 2001. As noted above, The Reserve maintained at the Chase Manhattan Bank a working account (DDA) called a subscription DDA, a money market deposit account (MMDA), as well as a different demand deposit account (DDA) for making withdrawals via a messenger from the Chase MMDA. As also noted above, both the Chase MMDA and the different DDA were registered as ***“RMC as agent for the exclusive benefit of its clients acting for itself and others”*** to obtain the pass through insurance for the underlying Reserve customers. After the programming was completed in April 2001, the first bank to be added to the make the multi-MMDA multi-bank process where deposit funds could be deposited to a selected MMDA in either of two banks was the Irwin Union Bank in July 2001. A DDA and an MMDA registered as ***“RMC as agent for the exclusive benefit of its clients acting for itself and others”*** to obtain the pass through insurance for the underlying Reserve customers, were established at the Irwin Union Bank. In that process, The Reserve deposited funds to Irwin by transferring funds from the subscription account in the Chase Manhattan Bank to either the MMDA registered as noted above at the Chase Manhattan Bank or the FDIC-insured money market deposit account (MMDA) at Irwin Union Bank. Withdrawals were made by a messenger from the MMDA at the Irwin Union Bank to the DDA at Irwin Union Bank, and then transferred from the Irwin DDA to the subscription DDA at the Chase Manhattan Bank.

The agreement between The Reserve and Irwin Union Bank to effect this process was signed on July 9th, 2001. A first mailer for FDIC insurance up to \$200K was created and approved for use by The Reserve in August 2001 for accounts with \$200K of FDIC insurance. See **Exhibit A**. A subsequent press release (**Exhibit B**) for accounts with \$200K of FDIC insurance was issued on October 8, 2001. A first customized Insured Deposit program to offer more than a \$100,000 of FDIC Insurance per account was via the Bank of New York (BONY), with the agreement signed in April 2002. The program went live shortly thereafter. BONY did advertise the product. It was part of their Check Invest Program. (Note that there was activity between Irwin Union Bank and The Reserve in March of 2001 relating to a different product, the Reserve Return Sweep product, which maintained deposits within a single bank. See **Exhibit C**. The Reserve Return Sweep product did not relate to multiple banks or FDIC insurance for accounts over \$100K. The

Reserve launched the Reserve Return Sweep product in 2000 with Frontier Bank. See Exhibit D.)

Additionally, the examiner should be aware that a similar query for more information was received in subsequently filed serial number 10/305,439 (filing date 11/26/02) with related claims. The Examiner Query in that case was as follows:

The Examiner requested information on evidence to discern whether applicant's statements regarding the public use of the invention being on October 23, 1997 are correct. The examiner in his query stated that the advertisement may still be viewed as an offer for sale of applicant's invention that is an attempt at market penetration (which is patent barred). Even if, as the declaration suggests, there is a bona fide experimental activity via the dummy accounts, as submitted by the applicant in Exhibit D, an inventor *may not* (emphasis added) commercially exploit an invention more than ONE YEAR prior to the filing date of the application.

Response: For purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings. In the advertised and implemented service in 1997, the customers interfaced with the DDA account in the Chase Manhattan Bank, referred to herein as the subscription DDA, by means of Reserve checks drawn to this subscription DDA account registered to The Reserve. The Reserve deposited the funds from this subscription DDA registered at Chase Manhattan Bank in the name of The Reserve to the money market deposit account (MMDA) registered in the name of The Reserve at the Chase Manhattan Bank to thereby obtain FDIC insurance and interest on the funds. Withdrawals from the MMDA were handled by messenger to a different demand deposit account (DDA) at the Chase Manhattan Bank registered in the name of The Reserve, and then transferred from this different DDA to the subscription DDA registered in the name of The Reserve at the Chase Manhattan Bank.

The use of multiple banks, each with an FDIC-insured interest-bearing deposit account, with a system for managing deposits to and withdrawals from these multiple

accounts was not disclosed or suggested by the cited Advertisement or the actual implementation by The Reserve prior to the October 1998 priority date.

Additionally, the examiner should be aware that a similar query for more information was received in subsequently filed serial number 10/071,053 (filing date 02/08/02) with related claims based on the IDS' filed on October 20, 2006 and March 1, 2007. The March 1, 2007 IDS contained copies of an advertisement and also a Declaration by Mr. Bruce Bent II, the Vice Chairman and President of the assignee, Reserve Management Corporation.

'053 INQUIRY 1: additional information is required regarding any use of the claimed invention prior to October 21, 1997 including, without limitation, the use related to the October 9, 1997 date originally listed in the Trademark cited in the IDS, and date of first use of any products, services and/or systems covered by the claims?

Ans:-- Note that for purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings. In the advertised and implemented service in 1997 actually used, the customer interfaced directly with the subscription DDA registered to The Reserve (the assignee) in the Chase Manhattan Bank by means of Reserve checks drawn to this subscription DDA account. Funds from this subscription DDA were then transferred to an MMDA registered in the name of The Reserve also at the Chase Manhattan Bank. See the details recited above for the operation of this 1997 process.

As noted above, programming for the use of the multi bank process that distributed **amounts over said specified amount into at least one other FDIC-insured and interest-bearing deposit account at at least one other banking institution** was completed by The Reserve in April 2001. The Reserve maintained at the Chase Manhattan Bank a working account called a subscription account, a money market deposit account (MMDA), as well as a different demand deposit account (DDA) for making withdrawals via a messenger from the Chase MMDA. After the programming was completed in April 2001, the first bank to

be added to the make the multi-MMDA multi-bank process where deposit funds could be deposited to a selected MMDA in either of two banks was the Irwin Union Bank in July 2001. A DDA and an MMDA registered in the name of The Reserve were established at the Irwin Union Bank. In that process, the Reserve deposited funds to Irwin by transferring funds from the subscription account in the Chase Manhattan Bank funds to either the MMDA registered to The Reserve at the Chase Manhattan Bank or the FDIC-insured money market deposit account (MMDA) at Irwin Union Bank. Withdrawals were made from the MMDA at the Irwin Union Bank by a messenger to the DDA registered in the name of The Reserve at Irwin Union Bank, and then transferred from the Irwin DDA to the subscription DDA at the Chase Manhattan Bank registered in the name of The Reserve.

The agreement between The Reserve and Irwin Union Bank to effect this process was signed on July 9th, 2001. A first mailer was created and approved for use by The Reserve in August 2001 for accounts with \$200K of FDIC insurance. See **Exhibit A**. A subsequent press release (**Exhibit B**) for accounts with \$200K of FDIC insurance was issued on October 8, 2001. A first customized Insured Deposit program to offer more than a \$100,000 of FDIC Insurance per account was via the Bank of New York (BONY), with the agreement signed in April 2002. The program went live shortly thereafter. BONY did advertise the product. It was part of their Check Invest Program.

Thus, neither the 1997 advertisement nor its system or method implementation practiced the current claims with the multi-MMDA multi-bank feature with FDIC insurance for accounts over \$100K.

'053 INQUIRY 2: additional information is required regarding the date of the first offer to sell of the services covered by the claimed invention, including, without limitation, any and all offers to sell, regardless of acceptance, prior to October 21, 1997; and the date of the solicitation or offer that resulted in the opening of the initial account opened on October 23, 1997?

Ans:--As noted above, for purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account

advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings.

As noted previously, programming for the multi-MMDA multi-bank process was completed in April 2001. The first customer for the process was Irwin Union Bank in July 2001. A first mailer was created and approved for use by The Reserve in August 2001 for accounts with \$200K of FDIC insurance. See **Exhibit A**. A subsequent press release for accounts with \$200K of FDIC insurance was issued on October 8, 2001. See **Exhibit B**. This activity is well after 1997.

INQUIRY 3: additional information is required regarding the product associated with the initial account opened on October 23, 1997, in particular, details regarding how that product relates to the claimed invention?

Ans:--As noted above, the individual clients could deposit or withdraw funds against the subscription demand account DDA on the books of the Chase Manhattan Bank held in the name of The Reserve, the assignee. As noted previously, the 1997 product was not advertised to provide or have a system to provide FDIC insurance for an account over \$100K or programmed to use multiple interest-bearing FDIC-insured deposit accounts at multiple different banks or to provide regional banks with access to deposit funds from other regions.

'053 INQUIRY 4: additional information is required regarding the product offered for sale in the advertisement published in the October 1997 issue of MUTUAL FUNDS, in particular, details regarding how the offered product relates to the claimed invention?

Ans:--This was answered in the response to Inquiry 3. There is no difference between the product offered for sale in the advertisement of the October 1997 issue of Mutual Funds and the product associated with the initial account opened on October 23, 1997. As noted previously, the 1997 product was not advertised to provide or have a system to provide FDIC insurance for an account over \$100K or programmed to use multiple

deposit accounts at multiple different banks or to provide regional banks with access to deposit funds from other regions.

‘053 INQUIRY 5: additional information is required regarding any relevant dates and product information regarding the creation and placement of the advertisements disclosed in the IDS?

Ans:--As noted above, for purposes of the present patent application prosecution including patent prosecution appeals, it should be assumed that the type of account advertised in the 1997 advertisement is prior art, but that applicants reserve their right to challenge this assumption in any subsequent non-prosecution litigation proceedings. Applicants are not aware of any product information relating to the 1997 advertisement other than what was disclosed in the IDS’ and the current response and Declarations.

‘053 INQUIRY 6: any other relevant information regarding the public use and/or sale of the claimed invention prior to October 21, 1997.

Ans:--As noted above, the current claimed invention was not in public use and/or on sale prior to October 21, 1997. Programming for an embodiment of the claimed invention was completed by The Reserve in April 2001. A first mailer was created and approved for use by The Reserve in August 2001 for accounts with \$200K of FDIC insurance. See **Exhibit A**. A subsequent press release for accounts with \$200K of FDIC insurance was issued on October 8, 2001. See **Exhibit B**. A first customized Insured Deposit program to offer more than a \$100,000 of FDIC Insurance per account was via the Bank of New York, with the agreement signed in April 2002. The program went live shortly thereafter. BONY did advertise the product. It was part of their Check Invest Program.

Finally, note that hindsight use of applicants’ claims as a roadmap would be required for someone of ordinary skill to modify the single bank process of the 1997 advertisement and arrive at a system that uses multiple FDIC-insured interest-bearing deposit accounts at other banks to allow aggregations of demand account funds from the multiple retail customers to be distributed across a series of different banks in a controlled manner in order to avoid any one customer from accumulating more than \$100,000 (the current FDIC

insurance limit for an individual) in a given FDIC-insured and interest-bearing aggregate deposit account at a particular deposit account bank. This operation ensures FDIC insurance for customer amounts over \$100,000. This is counter-intuitive from a business standpoint, as a bank normally would not be willing to give deposits from its customers to another bank to use for that other bank's banking purposes. Additionally, from a bank viewpoint, this system and method provides a mechanized way for regional banks to gain access to funds in other regions via becoming a designation bank with an FDIC-insured interest-bearing deposit account in the system. For example, a regional bank in Peoria, Illinois, after it joined the system and after The Reserve opened an MMDA at that bank, would have access to and use of deposit funds from New York depositors (but not the underlying customer data, i.e., the Peoria bank would not know the identities or account numbers of the underlying customers in New York). There is nothing that suggests such a modification to the system implementing the 1997 advertisement. Thus, the use of multiple banks, each with an FDIC-insured interest-bearing deposit account, with a system for managing deposits to and withdrawals from these multiple accounts was not disclosed or suggested by the cited Advertisement or the actual implementation by The Reserve.

The claims were also rejected under 35 USC 112 for unduly being multiplied. This rejection is respectfully traversed, as the claims clearly include patentable subject matter but differentiate, among other ways, by the use of independent claims directed to "demand accounts," "transaction accounts," "client accounts," and the different ways to implement the claim elements with respect to these accounts. Note also that a substantial number of claims have already been withdrawn.

The pending claims are now believed to be in condition for allowance. Applicant respectfully solicits early notification of the same.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 19-0741. Should no proper payment be enclosed herewith, as by a

check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 19-0741. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 19-0741.

Respectfully submitted,

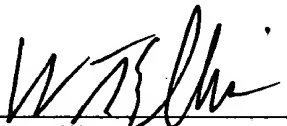
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